September 19, 1974 - Secretary Kissinger, Statement Before Senate Foreign Relations Committee

We have approached the question of economic relations with deliberation and circumspection and as an act of policy not primarily of commercial opportunity. As political relations have improved on a broad basis, economic issues have been dealt with on a comparably broad front. A series of interlocking economic agreements with the USSR has been negotiated, side by side with the political progress already noted. The 25-year-old lend-lease debt was settled; the reciprocal extension of most favored nation treatment was negotiated, together with safeguards against the possible disruption of our markets and a series of practical arrangements to facilitate the conduct of business in the USSR by American firms; our government credit facilities were made available for trade with the USSR; and a maritime agreement regulating the carriage of goods has been signed.

These were all primarily regulatory agreements conferring no immediate benefits on the Soviet Union but serving as blueprints for an expanded economic relationship if the political improvement continued.

This approach commanded widespread domestic approval. It was considered a natural outgrowth of political progress. At no time were issues regarding Soviet domestic political practices raised. Indeed, not until after the 1972 agreements was the Soviet domestic order invoked as a reason for arresting or reversing the progress so painstakingly achieved.

This sudden,  $\underline{ex}$  post facto form of linkage raises serious questions:

- -- For the Soviet Union, it casts doubt on our reliability as a negotiating partner;
- -- The significance of trade, orginally envisaged as only one ingredient of a complex and evolving relationship, is inflated out of all proportion;
- -- The hoped-for results of policy became transformed into pre-conditions for any policy at all.

We recognize the depth and validity of the moral concerns expressed by those who oppose -- or put conditions on -- expanded trade with the USSR. But a sense of proportion must be maintained about the leverage our economic relations give us with the USSR:

- -- Denial of economic relations cannot by itself achieve what it failed to do when it was part of a determined policy of political and military confrontation.
- -- The economic bargaining ability of Most Favored Nation status is marginal. MFN grants no special privilege to the USSR; in fact it is a misnomer since we have such agreements with over 100 countries. To enact it would be to remove a discriminatory hold-over of the days of the Cold War. To continue to deny it is more a political than an economic act.
- -- Trade benefits are not a one-way street; the laws of mutual advantage operate or there will be no trade.
- -- The technology that flows to the USSR as a result of expanded US-Soviet trade may have a few indirect uses for military production. But with our continuing restrictions on strategic exports, we can maintain adequate controls -- and we intend to do so. Moreover, the same technology has been available to the USSR and will be increasingly so from other non-Communist sources. Boycott denies us a means of influence and possible commercial gain; it does not deprive the USSR of technology.
- -- The actual and potential flow of credits from the US represents a tiny fraction of the capital available to the USSR domestically and elsewhere, including Western Europe and Japan. But it does allow us to exercise some influence through our ability to control the scope of trade relationships.

- 3 -

-- Over time, trade and investment may leaven the autarkic tendencies of the Soviet system, invite gradual association of the Soviet economy with the world economy, and foster a degree of inter-dependence that adds an element of stability to the political equation. October 7, 1974 - Secretary Kissinger, Press Conference

With respect to the second question, the negotiations between the Senators and myself, the difficulty, such as it is, arises from the fact that there are some assurances that have been given to me that I can defend and which I can transmit. There are some interpretations of these assurances which some of the Senators would like to make. And that is their privilege. And we understand that they would apply their interpretations as a test of Soviet good faith.

What I cannot do is to guarantee things that have not been told to me. And so the question is whether we can work out something which makes clear that we take the Senators' views very seriously, but which does not put us into a position of having to quarantee something beyond what has been discussed.

\* \* \*

- Q. Mr. Secretary, was the figure of 60,000 or any other figure understood in your discussions with the Soviet Union?
- A. I have always made clear that I could not guarantee any figure. How you interpret certain administrative agreements into figures, I have always made clear, could not be guaranteed by us.

December 3, 1974 - Secretary Kissinger, Hearing Before Senate Committee on Finance

We had, as you know, been told repeatedly that the Soviet Union considered the issue of emigration as a matter of its own domestic legislation and practices not subject to international negotiation. With this as a background, I must state flatly that if I were to assert here that a formal agreement on emigration from the USSR exists between our governments, that statement would immediately be repudiated by the Soviet Government.

December 3, 1974 - Secretary Kissinger, Hearing Before Senate Committee on Finance

This understanding which is reflected in these letters can operate only on the basis of good faith by all of the parties concerned and good will among the Senators and ourselves.

My candid view is that there is no document we can draft which would have an enforcible status in case of controversy. What will make this understanding operate is the general state of United States-Soviet relations, and the interest the Soviet Union will have in maintaining it. This is a specific assurance which has been extended on a number of occasions, the violation of which would certainly be one that the administration would take very seriously.

\* \* \*

Secretary Kissinger: I have described to you exactly what conversations took place which are the basis on which we have given the assurance.

Second, I have made very clear that it is our understanding that there would be no interference with applications, no harassment of applicants, and no denial of visas for any of these other than for national security. All of these are standards that are capable of clear determination.

We have asked the Senate to keep in mind that this is a rather sensitive matter, sensitive with respect not to the clarity of the criteria but to the form they have.

We have attempted to point out if you make them a matter of government-to-government agreement, this might well defeat the purposes which we are attempting to achieve. Of course, it is perfectly open to the Senate to pass the original Jackson-Vanik amendment and then assume the responsibilities if emigration stops altogether. In all of these matters we are in an area of judgment.

\*\*\*

Secretary Kissinger. I'm not saying it is sensitive to discuss whether in fact applications are being interfered with, whether visas are being denied, or whether applications are unrestricted. What I have said is sensitive to discuss is the nature of the understandings and how they were arrived at and how they are expressed. Criteria at the time of renewal will be reasonably apparent and will not be too sensitive to discuss and we would expect fully to discuss them.

December 3, 1974 - Secretary Kissinger, Statement Before Senate Committee on Finance

I believe it is now essential to let the provisions and understandings of the compromise proceed in practice. I am convinced that additional public commentary, or continued claims that this or that protagonist has won, can only jeopardize the results we all seek. We should not delude ourselves that the commercial measures to be authorized by the Trade Bill will lead a powerful state like the Soviet Union to be indifferent to constant and demonstrative efforts to picture it as yielding in the face of external pressure; nor can we expect extended debates of domestic Soviet practices by responsible US public figures and officials to remain indefinitely without reaction. We should keep in mind that the ultimate victims of such claims will be those whom all of us are trying to help.

December 3, 1974 - Secretary Kissinger, Statement Before Senate Committee on Finance

As you are well aware, the Administration since the beginning of detente had been making quiet representations on the issue of emigration. We were never indifferent to nor did we condone restrictions placed on emigration. We understood the concerns of those private American groups that expressed their views on this troubling subject. We believed, based on repeated Soviet statements and experience, that making this issue a subject of state-to-state relations might have an adverse effect on emigration from the USSR as well as jeopardize the basic relationship which had made the steadily rising emigration possible in the first place. We were convinced that our most effective means for exerting beneficial influence was by working for a broad improvement in relations and dealing with emigration by informal means.

It is difficult, of course, to know the precise causes for changes in emigration rates. We know that during the period of improving relations and quiet representations it rose from 400 in 1968 to about 33,500 in 1973. We believe that increase as well as recent favorable actions on long-standing hardship cases was due at least in part to what we had done privately and unobtrusively. We are also convinced that these methods led to the suspension of the emigration tax in 1973. We can only speculate whether the decline by about 40 percent in 1974 was the result of decisions of potential applicants or whether it was also affected by the Administration's inability to live up to the terms of the Trade Agreement we had negotiated with the Soviet Union in 1972.

## December 22, 1974 - Secretary Kissinger, Interview with NEWSWEEK

- Q. The Soviets have issued a statement that they are not going to make any guarantees about Jewish emigration from the Soviet Union. Does this statement and its possible impact on the trade bill concern you?
- Secretary Kissinger: Yes, it concerns me. Certainly there is no one in Washington who has not heard me warn about this for years. Without saying anything, without making any claims for it, we managed to increase Jewish emigration from 400 a year in 1968 to 35,000 before any of this debate started. We had managed to intercede quietly in behalf of a list of hardship cases, of which more than half were dealt with successfully. We never climed a success; we never took credit for it. We never said this was a result of detente. We just encouraged it to happen. We have warned constantly not to make this an issue of state-to-state relations, because we were afraid it would lead to a formal confrontation and defeat the objective of promoting emigration. our deep misgivings, we acquiesced when statements were made by some which implied that the Soviet Union had yielded to pressure, because we thought it was the result that was important, and we wanted to avoid a domestic debate that might have jeopardized the trade bill.

The issue of Jewish emigration is above all a human problem. There is no legal agreement we can make with the Soviet Union that we can enforce. Whether the Soviet Union permits emigration depends on the importance they attach to their relationship with the United States and, therefore, on the whole context of the East-West relationship.

If we can maintain a Soviet commitment to detente and if we can make clear that this is related to the emigration question, existing understandings will have a chance. But what we have had is, first, excessive claims. And now the Export-Import Bank bill has been encumbered with amendments that, to all practical purposes, virtually prevent loans of any substantial size to the Soviet Union.

Loans are more important to the Soviet Union than most-favored-nation status, and in this respect the Soviets are worse off now, after three years of detente and even after increased Jewish emigration, than they were to begin with. We cannot simply keep saying that the Soviets must pay something for detente, and then not provide anything from our side to give them an interest in its continuance.